GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5103
ANSWERED ON:20.04.2001
PRIZE MONEY TO INFORMERS
DUKHA BHAGAT

Will the Minister of FINANCE be pleased to state:

(a) whether many cases relating to award of prize money to the informers on the basis of whose information raids were conducted by the Income Tax Department and additional taxes reward are pending with the Department of Income Tax for the last several years;

(b) if so, the reasons therefor;

(c) the total number of pending cases wherein prize money has not been paid finally even five years after the raids conducted on the tip of informers;

(d) the details of rules regarding time limit for payment of prize money to said informers; and

(e) the steps Government propose to take for making speedy payment of such prize money?

Answer

MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN)

(a): Yes, Sir.

(b): The interim reward is generally paid soon after the conclusion of search on the basis of recoveries made during the course of search. However, according to the Guidelines for grant of reward to the informants, final reward can be paid only on completion of assessments and decision in appeals and also after realisation of taxes in full due on such completed assessments. Since the finality of assessments is reached after substantial time, the pendencies of rewards have increased over last several years.

(c): The number of such pending cases in which the prize money has not been paid finally to the informers even after five years of conducting raids is 1186.

(d): No time limit has been prescribed in the guidelines for grant of reward to informants. The existing guidelines for grant of reward to informants provide for payment of final reward only after all the assessments have become final and no appeal is pending or filed and the time for filing of appeal has expired. Moreover, the final reward can only be granted after the extra taxes levied are actually realised.

(e): Speedier payment of reward to informants is ensured by regularly reviewing such cases and facilitating prompt payment after the conditions prescribed by the existing guidelines are satisfied.